

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), 6057(b), and 6058(a) of the Internal Revenue Code (the Code). ▶ Complete all entries in accordance with the instructions to the Form 5500.	OMB Nos. 1210-0110 1210-0089
		2012
		This Form is Open to Public Inspection

Part I	Annual Report Identification Information
For calendar plan year 2012 or fiscal plan year beginning <u>01/01/2012</u> and ending <u>12/31/2012</u>	
A This return/report is for:	☐ a multiemployer plan; ☐ a multiple-employer plan; or ☒ a single-employer plan; ☐ a DFE (specify) ____
B This return/report is:	☐ the first return/report; ☐ the final return/report; ☐ an amended return/report; ☐ a short plan year return/report (less than 12 months).
C If the plan is a collectively-bargained plan, check here.	☐
D Check box if filing under:	☒ Form 5558; ☐ automatic extension; ☐ the DFVC program; ☐ special extension (enter description)

Part II	Basic Plan Information —enter all requested information
1a Name of plan <u>NEWALLIANCE BANK 401(K) PLAN</u>	1b Three-digit plan number (PN) ▶ <u>002</u> 1c Effective date of plan <u>04/01/1984</u>
2a Plan sponsor's name and address; include room or suite number (employer, if for a single-employer plan) <u>FIRST NIAGARA FINANCIAL GROUP, INC.</u> <u>726 EXCHANGE STREET, SUITE 700</u> <u>BUFFALO, NY 14210</u>	2b Employer Identification Number (EIN) <u>06-0469580</u> 2c Sponsor's telephone number <u>716-858-3379</u> 2d Business code (see instructions) <u>522120</u>

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE	Filed with authorized/valid electronic signature.	<u>07/10/2013</u>	<u>JULIE M. LAFOREST</u>
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature.	<u>07/10/2013</u>	<u>JULIE M. LAFOREST</u>
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE
Preparer's name (including firm name, if applicable) and address; include room or suite number. (optional)			Preparer's telephone number (optional)

3a Plan administrator's name and address ☒ Same as Plan Sponsor Name ☐ Same as Plan Sponsor Address		3b Administrator's EIN
		3c Administrator's telephone number
4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report: a Sponsor's name		4b EIN 4c PN
5 Total number of participants at the beginning of the plan year		5 1327
6 Number of participants as of the end of the plan year (welfare plans complete only lines 6a , 6b , 6c , and 6d).		
a Active participants.....	6a	0
b Retired or separated participants receiving benefits.....	6b	0
c Other retired or separated participants entitled to future benefits.....	6c	0
d Subtotal. Add lines 6a , 6b , and 6c	6d	0
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....	6e	3
f Total. Add lines 6d and 6e	6f	3
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....	6g	3
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....	6h	0
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)		7
8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions: 2E 2F 2G 2J 2K 2T 3D		
b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:		
9a Plan funding arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor		9b Plan benefit arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor
10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)		
a Pension Schedules (1) ☒ R (Retirement Plan Information) (2) ☐ MB (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary (3) ☐ SB (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary		b General Schedules (1) ☒ H (Financial Information) (2) ☐ I (Financial Information – Small Plan) (3) ☐ A (Insurance Information) (4) ☒ C (Service Provider Information) (5) ☐ D (DFE/Participating Plan Information) (6) ☐ G (Financial Transaction Schedules)

SCHEDULE C (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Service Provider Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110
		2012
		This Form is Open to Public Inspection.

For calendar plan year 2012 or fiscal plan year beginning 01/01/2012 and ending 12/31/2012

A Name of plan NEWALLIANCE BANK 401(K) PLAN	B Three-digit plan number (PN) ▶ 002
C Plan sponsor's name as shown on line 2a of Form 5500 FIRST NIAGARA FINANCIAL GROUP, INC.	D Employer Identification Number (EIN) 06-0469580

Part I Service Provider Information (see instructions)

You must complete this Part, in accordance with the instructions, to report the information required for **each person** who received, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of monetary value) in connection with services rendered to the plan or the person's position with the plan during the plan year. If a person received **only** eligible indirect compensation for which the plan received the required disclosures, you are required to answer line 1 but are not required to include that person when completing the remainder of this Part.

1 Information on Persons Receiving Only Eligible Indirect Compensation

a Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions)..... ☒ Yes ☐ No

b If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation
AIM INVESCO

76-0528004

(b) Enter name and EIN or address of person who provided you disclosure on eligible indirect compensation
AMERICAN FUNDS

95-1411037

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation
BURNHAM FUNDS

23-1702840

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation
COLUMBIA FUNDS

93-0577450

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

DREYFUS FUNDS

13-5673135

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

FRANKLIN TEMPLETON INVESTMENTS

94-3167260

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

GOLDMAN SACHS

13-5108880

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

JP MORGAN

13-2624428

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

PIONEER INVESTMENTS

13-5657669

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

VAN KAMPEN

36-2811402

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

VANGUARD

23-1945930

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

USI CONSULTING GROUP

06-1053228

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
12 15 17 25 34 37 60 61 62 63	NONE	145363	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

Part I Service Provider Information (continued)

3 If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received \$1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

Part II Service Providers Who Fail or Refuse to Provide Information

4 Provide, to the extent possible, the following information for each service provider who failed or refused to provide the information necessary to complete this Schedule.

(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide

Part III **Termination Information on Accountants and Enrolled Actuaries (see instructions)**
(complete as many entries as needed)

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

SCHEDULE H (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	<small>OMB No. 1210-0110</small> 2012 This Form is Open to Public Inspection
For calendar plan year 2012 or fiscal plan year beginning 01/01/2012 and ending 12/31/2012		
A Name of plan NEWALLIANCE BANK 401(K) PLAN	B Three-digit plan number (PN) ►	002
C Plan sponsor's name as shown on line 2a of Form 5500 FIRST NIAGARA FINANCIAL GROUP, INC.	D Employer Identification Number (EIN) 06-0469580	

Part I	Asset and Liability Statement		(a) Beginning of Year	(b) End of Year
1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.				
	Assets			
a	Total noninterest-bearing cash	1a		
b	Receivables (less allowance for doubtful accounts):			
	(1) Employer contributions	1b(1)		
	(2) Participant contributions	1b(2)		
	(3) Other.....	1b(3)		
c	General investments:			
	(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	10498117	418
	(2) U.S. Government securities.....	1c(2)		
	(3) Corporate debt instruments (other than employer securities):			
	(A) Preferred	1c(3)(A)		
	(B) All other.....	1c(3)(B)		
	(4) Corporate stocks (other than employer securities):			
	(A) Preferred	1c(4)(A)		
	(B) Common	1c(4)(B)		
	(5) Partnership/joint venture interests	1c(5)		
	(6) Real estate (other than employer real property)	1c(6)		
	(7) Loans (other than to participants)	1c(7)		
	(8) Participant loans	1c(8)	615938	0
	(9) Value of interest in common/collective trusts.....	1c(9)	0	
	(10) Value of interest in pooled separate accounts.....	1c(10)		
	(11) Value of interest in master trust investment accounts	1c(11)		
	(12) Value of interest in 103-12 investment entities	1c(12)		
	(13) Value of interest in registered investment companies (e.g., mutual funds).....	1c(13)	31492137	251214
	(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)		
	(15) Other	1c(15)		

1d Employer-related investments:		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)		
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	42606192	251632

Liabilities

g Benefit claims payable	1g	360	
h Operating payables	1h	20000	
i Acquisition indebtedness	1i		
j Other liabilities	1j		
k Total liabilities (add all amounts in lines 1g through 1j)	1k	20360	0

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	42585832	251632
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Part II Income and Expense Statement

2 Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

Income

		(a) Amount	(b) Total
a Contributions:			
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)		
(B) Participants	2a(1)(B)		
(C) Others (including rollovers)	2a(1)(C)		
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		0
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	5646	
(B) U.S. Government securities	2b(1)(B)		
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)	12770	
(F) Other	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		18416
(2) Dividends: (A) Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)		
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	262842	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		262842
(3) Rents	2b(3)		
(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)		
(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		0
(5) Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)		
(B) Other	2b(5)(B)		
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		0

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds).....	2b(10)		2999981
c Other income.....	2c		
d Total income. Add all income amounts in column (b) and enter total.....	2d		3281239

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	45070317	
(2) To insurance carriers for the provision of benefits	2e(2)		
(3) Other	2e(3)		
(4) Total benefit payments. Add lines 2e(1) through (3).....	2e(4)		45070317
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions).....	2g		199180
h Interest expense.....	2h		
i Administrative expenses: (1) Professional fees	2i(1)	126815	
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)		
(4) Other	2i(4)		
(5) Total administrative expenses. Add lines 2i(1) through (4).....	2i(5)		126815
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		45396312

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d.....	2k		-42115073
l Transfers of assets:			
(1) To this plan.....	2l(1)		1906
(2) From this plan	2l(2)		221033

Part III Accountant's Opinion

3 Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

a The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) ☒ Unqualified (2) ☐ Qualified (3) ☐ Disclaimer (4) ☐ Adverse

b Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-8 and/or 103-12(d)?

☐ Yes ☒ No

c Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: **BONADIO & CO., LLP**

(2) EIN: **16-1131146**

d The opinion of an independent qualified public accountant is **not attached** because:

(1) ☐ This form is filed for a CCT, PSA, or MTIA. (2) ☐ It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

Part IV Compliance Questions

4 CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete lines 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete lines 4j and 4l. MTIAs also do not complete line 4l.

During the plan year:

a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.).....

b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.).....

	Yes	No	Amount
4a		X	
4b		X	

	Yes	No	Amount
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)		X	
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.).....		X	
e Was this plan covered by a fidelity bond?.....	X		30100000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.).....	X		
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.).....		X	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?.....		X	
l Has the plan failed to provide any benefit when due under the plan?		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.).....	X		
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.	X		

5a Has a resolution to terminate the plan been adopted during the plan year or any prior plan year?
 If "Yes," enter the amount of any plan assets that reverted to the employer this year..... ☒ Yes ☐ No Amount: 0

5b If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

5b(1) Name of plan(s)

FIRST NIAGARA FINANCIAL GROUP, INC. 401(K) PLAN

5b(2) EIN(s)	5b(3) PN(s)
42-1556195	002

Part V Trust Information (optional)

6a Name of trust

6b Trust's EIN

SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Retirement Plan Information This schedule is required to be filed under section 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110 2012 This Form is Open to Public Inspection.
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For calendar plan year 2012 or fiscal plan year beginning 01/01/2012 and ending 12/31/2012

A Name of plan <u>NEWALLIANCE BANK 401(K) PLAN</u>	B Three-digit plan number (PN) ▶ <u>002</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>FIRST NIAGARA FINANCIAL GROUP, INC.</u>	D Employer Identification Number (EIN) <u>06-0469580</u>

Part I	Distributions
---------------	----------------------

All references to distributions relate only to payments of benefits during the plan year.

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....	1	<u>0</u>
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): <u>56-1354495</u>		
Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.		
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....	3	

Part II	Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part)
----------------	--

4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)?.....	☐ Yes	☐ No	☐ N/A
If the plan is a defined benefit plan, go to line 8.			
5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. Date: Month _____ Day _____ Year _____ If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.			
6 a Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived)	6a		
b Enter the amount contributed by the employer to the plan for this plan year	6b		
c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount).....	6c		
If you completed line 6c, skip lines 8 and 9.			
7 Will the minimum funding amount reported on line 6c be met by the funding deadline?	☐ Yes	☐ No	☐ N/A
8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change?.....	☐ Yes	☐ No	☐ N/A

Part III	Amendments
-----------------	-------------------

9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box.....	☐ Increase	☐ Decrease	☐ Both	☐ No
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Part IV	ESOPs (see instructions). If this is not a plan described under Section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.
----------------	---

10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?.....	☐ Yes	☐ No
11 a Does the ESOP hold any preferred stock?	☐ Yes	☐ No
b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.).....	☐ Yes	☐ No
12 Does the ESOP hold any stock that is not readily tradable on an established securities market?	☐ Yes	☐ No

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500.

Schedule R (Form 5500) 2012
v. 120126

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that contributed more than 5% of total contributions to the plan during the plan year (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

- 14** Enter the number of participants on whose behalf no contributions were made by an employer as an employer of the participant for:

a The current year	14a	
b The plan year immediately preceding the current plan year	14b	
c The second preceding plan year	14c	

- 15** Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

a The corresponding number for the plan year immediately preceding the current plan year	15a	
b The corresponding number for the second preceding plan year	15b	

- 16** Information with respect to any employers who withdrew from the plan during the preceding plan year:

a Enter the number of employers who withdrew during the preceding plan year	16a	
b If line 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers	16b	

- 17** If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐

Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans

- 18** If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐

- 19** If the total number of participants is 1,000 or more, complete lines (a) through (c)

a Enter the percentage of plan assets held as:
 Stock: _____% Investment-Grade Debt: _____% High-Yield Debt: _____% Real Estate: _____% Other: _____%

b Provide the average duration of the combined investment-grade and high-yield debt:
☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

c What duration measure was used to calculate line 19(b)?
☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify): _____

**THE NEWALLIANCE BANK
401(K) PLAN**

**Financial Statements as of
December 31, 2012 and 2011
and
Supplemental Schedule
Together with
Independent Auditor's Report**

Bonadio & Co., LLP
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

The Retirement Benefits Committee of
First Niagara Financial Group, Inc.:

Report on the Financial Statements

We have audited the accompanying financial statements of the NewAlliance Bank 401(k) Plan (the Plan), which comprise the statements of net assets in liquidation available for benefits as of December 31, 2012 and 2011, and the related statements of changes in net assets in liquidation available for benefits for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Plan management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Plan's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets in liquidation available for benefits of the NewAlliance Bank 401(k) Plan as of December 31, 2012 and 2011, and the changes in its net assets in liquidation available for benefits for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

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(Continued)

INDEPENDENT AUDITOR'S REPORT

(Continued)

Basis of Accounting

As described in Note 2, the Plan's policy is to prepare its financial statements on the liquidation basis of accounting. Our opinion is not modified in respect to that matter.

Report on Supplemental Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental Schedule H, line 4i - Schedule of Assets (Held at End of Year) as of December 31, 2012 is presented for the purpose of additional analysis and is not a required part of the financial statements, but is supplemental information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. Such information is the responsibility of the Plan's management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Bonadio & Co., LLP

June 27, 2013

THE NEWALLIANCE BANK 401(k) PLAN

STATEMENTS OF NET ASSETS IN LIQUIDATION AVAILABLE FOR BENEFITS

DECEMBER 31, 2012 AND 2011

(In thousands)

	<u>2012</u>	<u>2011</u>
ASSETS		
INVESTMENTS, at fair value:		
Cash and cash equivalents	\$ 1	\$ 10,497
Mutual funds	251	27,704
Registered investment company	<u>-</u>	<u>3,789</u>
Total investments	252	41,990
NOTES RECEIVABLE FROM PARTICIPANTS	<u>-</u>	<u>616</u>
Total assets	252	42,606
LIABILITIES		
ACCRUED EXPENSES	<u>-</u>	<u>20</u>
NET ASSETS IN LIQUIDATION AVAILABLE FOR BENEFITS	<u>\$ 252</u>	<u>\$ 42,586</u>

The accompanying notes are an integral part of these statements.

THE NEWALLIANCE BANK 401(k) PLAN

STATEMENTS OF CHANGES IN NET ASSETS IN LIQUIDATION AVAILABLE FOR BENEFITS FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

(In thousands)

	<u>2012</u>	<u>2011</u>
ADDITIONS:		
Employee contributions	\$ -	\$ 1,763
Employer contributions	-	15
ESOP transfers into the Plan	2	3,246
Net appreciation in fair value of investments, including realized gains and losses on sales	3,000	-
Interest and dividend income	268	452
Interest on notes receivable from participants	<u>13</u>	<u>35</u>
Total additions	<u>3,283</u>	<u>5,511</u>
DEDUCTIONS:		
Distributions to participants	45,269	12,245
Net depreciation in fair value of investments, including realized gains and losses on sales	-	2,363
Transfer of notes receivable from participants to First Niagara Financial Group 401k Plan	221	-
Administrative expenses	<u>127</u>	<u>186</u>
Total deductions	<u>45,617</u>	<u>14,794</u>
CHANGE IN NET ASSETS	(42,334)	(9,283)
NET ASSETS IN LIQUIDATION AVAILABLE FOR BENEFITS - beginning of year	<u>42,586</u>	<u>51,869</u>
NET ASSETS IN LIQUIDATION AVAILABLE FOR BENEFITS - end of year	<u>\$ 252</u>	<u>\$ 42,586</u>

The accompanying notes are an integral part of these statements.

THE NEWALLIANCE BANK 401(k) PLAN

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2012 and 2011

1. DESCRIPTION OF THE PLAN

The following description of The NewAlliance Bank 401(k) Plan (the Plan) provides only general information. Participants should refer to the Plan document for a more complete description of the Plan's provisions.

Plan Termination

On April 15, 2011 (the Merger Date), NewAlliance Bancshares, Inc. (the Company), the holding company of NewAlliance Bank (the Bank), was acquired by First Niagara Financial Group, Inc. (First Niagara) and immediately preceding this date, the Plan was terminated. No new participants shall enter the Plan, and the assets of the Plan shall be distributed to Plan participants upon receipt of a favorable IRS determination letter. The Plan received a favorable determination letter on July 19, 2012, allowing participants to take distributions and the Plan to terminate.

General

The Plan is a defined contribution plan covering eligible employees of the Bank, which is a subsidiary of the Company. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA), as amended. All administrative expenses of the Plan are paid by the Plan unless otherwise paid by First Niagara.

Eligibility and Employee Contributions

Prior to the Merger Date, an employee who had been employed by the Bank for three months and was at least 20-1/2 years old was eligible to participate in the Plan. A participant could elect to authorize a payroll deduction of not more than 100% of their compensation, as defined, up to the Internal Revenue Service (IRS) defined maximum dollar amount, as an elective salary deferral contribution to their account in the Plan. Participants could enter the Plan on the first day of any month following the month in which they met the eligibility requirements.

Employer Contributions

Prior to the Merger Date, an employee who had been employed by the Bank for one year and was at least 20-1/2 years old was eligible to receive matching contributions beginning the quarter after the one-year anniversary of service. Employer matching contributions were made to The NewAlliance Bancshares, Inc. Employee Stock Ownership Plan (ESOP) in the form of common shares of the Bank. Effective January 1, 2009 the Company adopted a safe harbor amendment providing for annual safe harbor matching contributions made to the ESOP equal to \$1.00 for each \$1.00 of a participant's contribution, up to 3% of a participant's compensation, plus an additional matching contribution of \$0.50 for each \$1.00 contribution that exceeded 3% of the participant's compensation up to and including 5% of a participant's compensation. This equated to a maximum available matching contribution of 4%.

Forfeitures

Forfeitures available to reduce matching contributions, discretionary profit sharing contributions or pay expenses of Plan administration amounted to \$80 and \$13,559 at December 31, 2012 and 2011, respectively. For the year ended December 31, 2012, \$14,365 of the forfeiture reserve balance was used for Plan expenses.

1. DESCRIPTION OF THE PLAN (Continued)

Participant Accounts

Prior to the Plan's termination, each participant's account was credited with the participant's contribution and allocation of (a) the Company's contribution, (b) Plan earnings, and (c) administrative expenses. Allocations are based on participant earnings or account balances, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account. Participants may direct the investment of their accounts into one of several investment options. Plan participants were allowed to diversify their ESOP assets by transferring those assets into their individual 401(k) accounts utilizing the investment options available in the Plan.

Vesting

As of the Merger Date, all participants became fully vested in their entire account balances.

Payment of Benefits

Prior to the Merger Date, a participant was able to apply to the Plan to withdraw amounts from their account if they were over 59-1/2 years old and (i) their account had accumulated for at least 2 years or (ii) they had been a participant in the Plan for at least 5 years. In addition, a participant was able to apply for a withdrawal in the event of hardship, as defined in the Plan. All hardship withdrawals were subject to the approval of the Plan Administrator and must meet the hardship requirements as defined by the IRS.

If a participant does not elect to have a mandatory distribution of benefits greater than \$1,000 and less than \$5,000 paid directly to an eligible retirement plan specified by the participant in a direct rollover or to receive the distribution directly, then the Plan Administrator will pay the distribution in a direct rollover to an individual retirement plan designated by the Plan Administrator.

Participants in the Plan who were terminated prior to January 1, 2011 were able to elect to receive a distribution of their account balance provided their request was submitted timely. Participants with current installment distributions in pay status prior to the Merger Date will continue to be paid until the Plan receives a favorable IRS determination letter, at which time the remaining balance will be paid in a lump sum. Distributions for all other participants were subject to the guidelines of the Merger Agreement.

Notes Receivable from Participants

Prior to the Merger Date, participants could borrow from their fund accounts a minimum of \$1,000 up to a maximum equal to \$50,000 or 50% of their account balance. The loans are collateralized by the participant's vested account balance and generally bear a fixed interest rate based on the current prime interest rate as of the loan origination date. Principal and interest is paid through monthly payroll deductions for a maximum term of five years, except for loans made for the acquisition of a principal residence, which are repaid according to the provisions in the Plan document. Participants that were not retained as employees of First Niagara immediately following the merger were required to repay their outstanding loans within 90 days from the date their employment ended with the Bank. If the balance was not repaid within this time frame, the loan was deemed a distribution of the Plan and became taxable to the participant. During the Plan year ended December 31, 2012, notes receivable from participants in the amount of \$221,000 were transferred to the First Niagara Financial Group 401(k) Plan. These transferred notes receivable are payable from employees that were retained as employees of First Niagara.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of the Plan have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America. As a result of the Plan's termination, as described in Note 1, the Plan changed its basis of accounting from the ongoing plan basis to the liquidation basis for periods after December 31, 2010. The liquidation basis of accounting presents assets at amounts expected to be realized in liquidation and liabilities at amounts expected to be paid. At December 31, 2012 and 2011, there were no material differences between amounts presented on the liquidation basis and those that would have been presented on the ongoing plan basis.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Plan considers all highly liquid investments purchased with maturity dates of three months or less to be cash equivalents.

Investment Valuation and Income Recognition

The Plan's assets are invested in various investments through Wells Fargo Bank. Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note 4 for discussion of fair value measurements.

Purchases and sales of securities are recorded on a trade-date basis. Net appreciation/depreciation includes the Plan's gains and losses on investments bought and sold as well as held during the year. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

Concentration of Credit Risk

The Plan maintains its cash balances with a third party which may at times exceed federally insured limits. The Plan has not experienced any losses in such accounts. The Plan Administrator believes the Plan is not exposed to any significant credit risk on cash and cash equivalents.

Risks and Uncertainties

The Plan's assets include various types of investment securities. Investment securities are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investments and the level of uncertainty related to the value of such investments, changes in the values of investments will occur and such changes could materially affect the amounts reported in the accompanying financial statements.

3. CONVERSION OF STOCK UNDER MERGER AGREEMENT

Under the terms of the Merger Agreement, each outstanding share of the Company's stock was converted into the right to receive either 1.10 shares of common stock of First Niagara, or \$14.28 in cash, or a combination thereof. Based on the final election results and applying the adjustment, election and allocation procedures set forth in the Merger Agreement, the Company's stockholders received the following consideration:

- Stockholders who made valid elections to receive stock consideration received stock consideration for 100% of their shares subject to such election;
- Stockholders who made valid elections to receive cash consideration received cash consideration for 100% of their shares subject to such election;
- Stockholders who made no election or failed to make a valid election, received cash consideration for 85.5% of their shares and stock consideration for the remaining 14.5% of their shares.

4. FAIR VALUE MEASUREMENTS

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Current accounting guidance establishes a fair value hierarchy based on the transparency of inputs participants use to price an asset or liability. The fair value hierarchy prioritizes these inputs into the following three levels:

- **Level 1 Inputs** - Unadjusted quoted prices in active markets for identical assets or liabilities that are available at the measurement date.
- **Level 2 Inputs** - Inputs, other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. These might include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability (such as interest rates, volatilities, prepayment speeds, credit risks, etc.), or inputs that are derived principally from or corroborated by market data by correlation or other means.
- **Level 3 Inputs** - Unobservable inputs for determining the fair value of the asset or liability and are based on the entity's own assumptions about the assumptions that market participants would use to price the asset or liability.

A financial instrument's categorization within the valuation hierarchy is based on the lowest level of input that is significant to the fair value measurement. A description of the valuation methodologies used for instruments measured at fair value, as well as the general classification of such instruments pursuant to the valuation hierarchy, is set forth below.

Our valuation methodologies may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. While we believe our valuation methodologies are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different estimate of fair value at each measurement date.

The following tables summarize the Plan's assets measured at fair value on a recurring basis at December 31, 2012 and 2011. Financial assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

4. FAIR VALUE MEASUREMENTS (Continued)

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
December 31, 2012:				
<i>In thousands</i>				
Cash and cash equivalents	\$ 1	\$ -	\$ -	\$ 1
Mutual funds:				
Equity -				
Mid Cap	<u>251</u>	<u>-</u>	<u>-</u>	<u>251</u>
	<u>\$ 252</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 252</u>
December 31, 2011:	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<i>In thousands</i>				
Cash and cash equivalents	\$ 10,497	\$ -	\$ -	\$ 10,497
Mutual funds:				
Bonds	2,885	-	-	2,885
Equity -				
Large Cap	4,776	-	-	4,776
Mid Cap	14,223	-	-	14,223
Small Cap	1,949	-	-	1,949
International	2,582	-	-	2,582
Real Estate	1,289	-	-	1,289
Registered investment company:				
First Niagara stock fund	<u>3,789</u>	<u>-</u>	<u>-</u>	<u>3,789</u>
	<u>\$ 41,990</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 41,990</u>

The Plan did not have any assets measured at fair value on a recurring basis for which the Company utilized Level 3 inputs to determine fair value, and there were no assets measured at fair value on a non-recurring basis at December 31, 2012 and 2011. For the years ended December 31, 2012 and 2011, there were no transfers in or out of Level 1 or Level 2.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2012 and 2011.

Cash and cash equivalents includes money market funds. Money market funds are valued at quoted market prices in an exchange and active markets, which represent the net asset values of shares held by the Plan at year end.

The shares of mutual funds are valued at quoted market prices in an active market, which represent the net asset values of shares held by the Plan at year end.

The registered investment company consists of The First Niagara Financial Group, Inc. Stock Fund. This fund consists of First Niagara common stock and a short-term cash component, which provides liquidity for daily trading. First Niagara common stock is valued at the quoted market price from a national securities exchange and the short-term cash investments are valued at cost, which approximates fair value.

5. INVESTMENTS

At December 31, 2012 and 2011, the fair value of investments that represent 5% or more of the Plan's net assets were as follows:

	<u>2012</u>	<u>2011</u>
<i>In thousands</i>		
Bank of America Cash Reserves Fund	\$ *	\$ 10,473
Dreyfus Bond Market Index Fund	\$ *	\$ 2,885
Franklin Templeton Conservative Target Fund	\$ *	\$ 4,776
Goldman Sachs Mid Cap Value Fund	\$ *	\$ 2,163
Invesco Van Kampen Mid Cap Growth Fund	\$ *	\$ 2,315
Vanguard 500 Index Fund	\$ 251	\$ 9,745
American Europacific Growth Fund	\$ *	\$ 2,582
First Niagara Financial Group, Inc. Stock Fund	\$ *	\$ 3,789

* Indicates investment does not represent 5% or more of the Plan's net assets at December 31, 2012.

Net appreciation (depreciation) in fair value of investments, including realized gains and losses on investments sold during the year ended December 31, was as follows:

	<u>2012</u>	<u>2011</u>
<i>In thousands</i>		
Common collective trust	\$ -	\$ 50
Registered investment company	(132)	(1,737)
Mutual funds	<u>3,132</u>	<u>(676)</u>
	<u>\$ 3,000</u>	<u>\$ (2,363)</u>

6. PARTY-IN-INTEREST TRANSACTIONS

Investment product review and recommendations are provided by USI Securities, Inc., who is a related party to USI Consulting Group, Inc., the record keeper as defined by the Plan and, therefore, transactions with USI Securities, Inc. qualify as party-in-interest transactions.

An investment option available in the Plan was the NewAlliance Bank Certificate of Deposit Fund, which included a certificate of deposit issued by NewAlliance Bank, the Plan Sponsor. This investment was liquidated during the Plan year ended December 31, 2011 and the assets transferred to other Plan options.

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Wells Fargo Bank, N.A. is the custodian of Plan assets; therefore, transactions with Wells Fargo qualify as party-in-interest transactions.

7. INCOME TAXES

Accounting principles generally accepted in the United States of America require plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the organization has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service. The Plan Administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2012, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Plan is generally no longer subject to U.S. federal tax examinations for years before 2009.

8. SUBSEQUENT EVENTS

Subsequent events have been evaluated through June 27, 2013, which is the date the financial statements were available to be issued.

THE NEWALLIANCE BANK 401(k) PLAN**EIN 06-0469580****SCHEDULE H, LINE 4I - SCHEDULE OF ASSETS (HELD AT END OF YEAR)****DECEMBER 31, 2012***(In thousands)*

(a)	(b) <u>Issuer</u>	(c) <u>Description of Investment</u>	(d) <u>Fair Value</u>
		CASH AND CASH EQUIVALENTS:	
	Bank of America	Cash Reserves Fund	\$ <u>1</u>
		MUTUAL FUNDS:	
	Vanguard	500 Index Fund	<u>251</u>
			<u>\$ 252</u>

The accompanying notes are an integral part of this schedule.

Plan Sponsor: NewAlliance Bank
Plan Name: NewAlliance Bank 401(k) Plan
Sponsor EIN: 06-0469580 Plan Number: 002

2012 Form 5500, Schedule H, Attachment for Item 4i
Schedule of Assets Held at December 31, 2012

(a)	(b) Identity of issue, borrower, lessor or similar party	(c) Description of Investment (including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value)	(d) Cost	(e) Current Value
<u>Interest Bearing Cash (Money Markets & Certificates of Deposit)</u>				
	Pioneer	Cash Reserves Fund	+	80
	Bank of America	Cash Reserves Fund	+	338
<u>Registered Investment Companies</u>				
	Vanguard	500 Index Fund	+	251,214
Total Assets Held at Year End				251,632

* Indicates permitted party-in-interest

+ Cost information is not presented, as investment is participant directed

**THE NEWALLIANCE BANK
401(K) PLAN**

**Financial Statements as of
December 31, 2012 and 2011
and
Supplemental Schedule
Together with
Independent Auditor's Report**

Bonadio & Co., LLP
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

The Retirement Benefits Committee of
First Niagara Financial Group, Inc.:

Report on the Financial Statements

We have audited the accompanying financial statements of the NewAlliance Bank 401(k) Plan (the Plan), which comprise the statements of net assets in liquidation available for benefits as of December 31, 2012 and 2011, and the related statements of changes in net assets in liquidation available for benefits for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Plan management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Plan's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets in liquidation available for benefits of the NewAlliance Bank 401(k) Plan as of December 31, 2012 and 2011, and the changes in its net assets in liquidation available for benefits for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

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(Continued)

INDEPENDENT AUDITOR'S REPORT

(Continued)

Basis of Accounting

As described in Note 2, the Plan's policy is to prepare its financial statements on the liquidation basis of accounting. Our opinion is not modified in respect to that matter.

Report on Supplemental Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental Schedule H, line 4i - Schedule of Assets (Held at End of Year) as of December 31, 2012 is presented for the purpose of additional analysis and is not a required part of the financial statements, but is supplemental information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. Such information is the responsibility of the Plan's management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Bonadio & Co., LLP

June 27, 2013

THE NEWALLIANCE BANK 401(k) PLAN

STATEMENTS OF NET ASSETS IN LIQUIDATION AVAILABLE FOR BENEFITS

DECEMBER 31, 2012 AND 2011

(In thousands)

	<u>2012</u>	<u>2011</u>
ASSETS		
INVESTMENTS, at fair value:		
Cash and cash equivalents	\$ 1	\$ 10,497
Mutual funds	251	27,704
Registered investment company	<u>-</u>	<u>3,789</u>
Total investments	252	41,990
NOTES RECEIVABLE FROM PARTICIPANTS	<u>-</u>	<u>616</u>
Total assets	252	42,606
LIABILITIES		
ACCRUED EXPENSES	<u>-</u>	<u>20</u>
NET ASSETS IN LIQUIDATION AVAILABLE FOR BENEFITS	<u>\$ 252</u>	<u>\$ 42,586</u>

The accompanying notes are an integral part of these statements.

THE NEWALLIANCE BANK 401(k) PLAN

STATEMENTS OF CHANGES IN NET ASSETS IN LIQUIDATION AVAILABLE FOR BENEFITS FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

(In thousands)

	<u>2012</u>	<u>2011</u>
ADDITIONS:		
Employee contributions	\$ -	\$ 1,763
Employer contributions	-	15
ESOP transfers into the Plan	2	3,246
Net appreciation in fair value of investments, including realized gains and losses on sales	3,000	-
Interest and dividend income	268	452
Interest on notes receivable from participants	<u>13</u>	<u>35</u>
Total additions	<u>3,283</u>	<u>5,511</u>
DEDUCTIONS:		
Distributions to participants	45,269	12,245
Net depreciation in fair value of investments, including realized gains and losses on sales	-	2,363
Transfer of notes receivable from participants to First Niagara Financial Group 401k Plan	221	-
Administrative expenses	<u>127</u>	<u>186</u>
Total deductions	<u>45,617</u>	<u>14,794</u>
CHANGE IN NET ASSETS	(42,334)	(9,283)
NET ASSETS IN LIQUIDATION AVAILABLE FOR BENEFITS - beginning of year	<u>42,586</u>	<u>51,869</u>
NET ASSETS IN LIQUIDATION AVAILABLE FOR BENEFITS - end of year	<u>\$ 252</u>	<u>\$ 42,586</u>

The accompanying notes are an integral part of these statements.

THE NEWALLIANCE BANK 401(k) PLAN

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2012 and 2011

1. DESCRIPTION OF THE PLAN

The following description of The NewAlliance Bank 401(k) Plan (the Plan) provides only general information. Participants should refer to the Plan document for a more complete description of the Plan's provisions.

Plan Termination

On April 15, 2011 (the Merger Date), NewAlliance Bancshares, Inc. (the Company), the holding company of NewAlliance Bank (the Bank), was acquired by First Niagara Financial Group, Inc. (First Niagara) and immediately preceding this date, the Plan was terminated. No new participants shall enter the Plan, and the assets of the Plan shall be distributed to Plan participants upon receipt of a favorable IRS determination letter. The Plan received a favorable determination letter on July 19, 2012, allowing participants to take distributions and the Plan to terminate.

General

The Plan is a defined contribution plan covering eligible employees of the Bank, which is a subsidiary of the Company. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA), as amended. All administrative expenses of the Plan are paid by the Plan unless otherwise paid by First Niagara.

Eligibility and Employee Contributions

Prior to the Merger Date, an employee who had been employed by the Bank for three months and was at least 20-1/2 years old was eligible to participate in the Plan. A participant could elect to authorize a payroll deduction of not more than 100% of their compensation, as defined, up to the Internal Revenue Service (IRS) defined maximum dollar amount, as an elective salary deferral contribution to their account in the Plan. Participants could enter the Plan on the first day of any month following the month in which they met the eligibility requirements.

Employer Contributions

Prior to the Merger Date, an employee who had been employed by the Bank for one year and was at least 20-1/2 years old was eligible to receive matching contributions beginning the quarter after the one-year anniversary of service. Employer matching contributions were made to The NewAlliance Bancshares, Inc. Employee Stock Ownership Plan (ESOP) in the form of common shares of the Bank. Effective January 1, 2009 the Company adopted a safe harbor amendment providing for annual safe harbor matching contributions made to the ESOP equal to \$1.00 for each \$1.00 of a participant's contribution, up to 3% of a participant's compensation, plus an additional matching contribution of \$0.50 for each \$1.00 contribution that exceeded 3% of the participant's compensation up to and including 5% of a participant's compensation. This equated to a maximum available matching contribution of 4%.

Forfeitures

Forfeitures available to reduce matching contributions, discretionary profit sharing contributions or pay expenses of Plan administration amounted to \$80 and \$13,559 at December 31, 2012 and 2011, respectively. For the year ended December 31, 2012, \$14,365 of the forfeiture reserve balance was used for Plan expenses.

1. DESCRIPTION OF THE PLAN (Continued)

Participant Accounts

Prior to the Plan's termination, each participant's account was credited with the participant's contribution and allocation of (a) the Company's contribution, (b) Plan earnings, and (c) administrative expenses. Allocations are based on participant earnings or account balances, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account. Participants may direct the investment of their accounts into one of several investment options. Plan participants were allowed to diversify their ESOP assets by transferring those assets into their individual 401(k) accounts utilizing the investment options available in the Plan.

Vesting

As of the Merger Date, all participants became fully vested in their entire account balances.

Payment of Benefits

Prior to the Merger Date, a participant was able to apply to the Plan to withdraw amounts from their account if they were over 59-1/2 years old and (i) their account had accumulated for at least 2 years or (ii) they had been a participant in the Plan for at least 5 years. In addition, a participant was able to apply for a withdrawal in the event of hardship, as defined in the Plan. All hardship withdrawals were subject to the approval of the Plan Administrator and must meet the hardship requirements as defined by the IRS.

If a participant does not elect to have a mandatory distribution of benefits greater than \$1,000 and less than \$5,000 paid directly to an eligible retirement plan specified by the participant in a direct rollover or to receive the distribution directly, then the Plan Administrator will pay the distribution in a direct rollover to an individual retirement plan designated by the Plan Administrator.

Participants in the Plan who were terminated prior to January 1, 2011 were able to elect to receive a distribution of their account balance provided their request was submitted timely. Participants with current installment distributions in pay status prior to the Merger Date will continue to be paid until the Plan receives a favorable IRS determination letter, at which time the remaining balance will be paid in a lump sum. Distributions for all other participants were subject to the guidelines of the Merger Agreement.

Notes Receivable from Participants

Prior to the Merger Date, participants could borrow from their fund accounts a minimum of \$1,000 up to a maximum equal to \$50,000 or 50% of their account balance. The loans are collateralized by the participant's vested account balance and generally bear a fixed interest rate based on the current prime interest rate as of the loan origination date. Principal and interest is paid through monthly payroll deductions for a maximum term of five years, except for loans made for the acquisition of a principal residence, which are repaid according to the provisions in the Plan document. Participants that were not retained as employees of First Niagara immediately following the merger were required to repay their outstanding loans within 90 days from the date their employment ended with the Bank. If the balance was not repaid within this time frame, the loan was deemed a distribution of the Plan and became taxable to the participant. During the Plan year ended December 31, 2012, notes receivable from participants in the amount of \$221,000 were transferred to the First Niagara Financial Group 401(k) Plan. These transferred notes receivable are payable from employees that were retained as employees of First Niagara.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of the Plan have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America. As a result of the Plan's termination, as described in Note 1, the Plan changed its basis of accounting from the ongoing plan basis to the liquidation basis for periods after December 31, 2010. The liquidation basis of accounting presents assets at amounts expected to be realized in liquidation and liabilities at amounts expected to be paid. At December 31, 2012 and 2011, there were no material differences between amounts presented on the liquidation basis and those that would have been presented on the ongoing plan basis.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Plan considers all highly liquid investments purchased with maturity dates of three months or less to be cash equivalents.

Investment Valuation and Income Recognition

The Plan's assets are invested in various investments through Wells Fargo Bank. Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note 4 for discussion of fair value measurements.

Purchases and sales of securities are recorded on a trade-date basis. Net appreciation/depreciation includes the Plan's gains and losses on investments bought and sold as well as held during the year. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

Concentration of Credit Risk

The Plan maintains its cash balances with a third party which may at times exceed federally insured limits. The Plan has not experienced any losses in such accounts. The Plan Administrator believes the Plan is not exposed to any significant credit risk on cash and cash equivalents.

Risks and Uncertainties

The Plan's assets include various types of investment securities. Investment securities are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investments and the level of uncertainty related to the value of such investments, changes in the values of investments will occur and such changes could materially affect the amounts reported in the accompanying financial statements.

3. CONVERSION OF STOCK UNDER MERGER AGREEMENT

Under the terms of the Merger Agreement, each outstanding share of the Company's stock was converted into the right to receive either 1.10 shares of common stock of First Niagara, or \$14.28 in cash, or a combination thereof. Based on the final election results and applying the adjustment, election and allocation procedures set forth in the Merger Agreement, the Company's stockholders received the following consideration:

- Stockholders who made valid elections to receive stock consideration received stock consideration for 100% of their shares subject to such election;
- Stockholders who made valid elections to receive cash consideration received cash consideration for 100% of their shares subject to such election;
- Stockholders who made no election or failed to make a valid election, received cash consideration for 85.5% of their shares and stock consideration for the remaining 14.5% of their shares.

4. FAIR VALUE MEASUREMENTS

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Current accounting guidance establishes a fair value hierarchy based on the transparency of inputs participants use to price an asset or liability. The fair value hierarchy prioritizes these inputs into the following three levels:

- **Level 1 Inputs** - Unadjusted quoted prices in active markets for identical assets or liabilities that are available at the measurement date.
- **Level 2 Inputs** - Inputs, other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. These might include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability (such as interest rates, volatilities, prepayment speeds, credit risks, etc.), or inputs that are derived principally from or corroborated by market data by correlation or other means.
- **Level 3 Inputs** - Unobservable inputs for determining the fair value of the asset or liability and are based on the entity's own assumptions about the assumptions that market participants would use to price the asset or liability.

A financial instrument's categorization within the valuation hierarchy is based on the lowest level of input that is significant to the fair value measurement. A description of the valuation methodologies used for instruments measured at fair value, as well as the general classification of such instruments pursuant to the valuation hierarchy, is set forth below.

Our valuation methodologies may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. While we believe our valuation methodologies are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different estimate of fair value at each measurement date.

The following tables summarize the Plan's assets measured at fair value on a recurring basis at December 31, 2012 and 2011. Financial assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

4. FAIR VALUE MEASUREMENTS (Continued)

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
December 31, 2012:				
<i>In thousands</i>				
Cash and cash equivalents	\$ 1	\$ -	\$ -	\$ 1
Mutual funds:				
Equity -				
Mid Cap	<u>251</u>	<u>-</u>	<u>-</u>	<u>251</u>
	<u>\$ 252</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 252</u>
December 31, 2011:	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<i>In thousands</i>				
Cash and cash equivalents	\$ 10,497	\$ -	\$ -	\$ 10,497
Mutual funds:				
Bonds	2,885	-	-	2,885
Equity -				
Large Cap	4,776	-	-	4,776
Mid Cap	14,223	-	-	14,223
Small Cap	1,949	-	-	1,949
International	2,582	-	-	2,582
Real Estate	1,289	-	-	1,289
Registered investment company:				
First Niagara stock fund	<u>3,789</u>	<u>-</u>	<u>-</u>	<u>3,789</u>
	<u>\$ 41,990</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 41,990</u>

The Plan did not have any assets measured at fair value on a recurring basis for which the Company utilized Level 3 inputs to determine fair value, and there were no assets measured at fair value on a non-recurring basis at December 31, 2012 and 2011. For the years ended December 31, 2012 and 2011, there were no transfers in or out of Level 1 or Level 2.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2012 and 2011.

Cash and cash equivalents includes money market funds. Money market funds are valued at quoted market prices in an exchange and active markets, which represent the net asset values of shares held by the Plan at year end.

The shares of mutual funds are valued at quoted market prices in an active market, which represent the net asset values of shares held by the Plan at year end.

The registered investment company consists of The First Niagara Financial Group, Inc. Stock Fund. This fund consists of First Niagara common stock and a short-term cash component, which provides liquidity for daily trading. First Niagara common stock is valued at the quoted market price from a national securities exchange and the short-term cash investments are valued at cost, which approximates fair value.

5. INVESTMENTS

At December 31, 2012 and 2011, the fair value of investments that represent 5% or more of the Plan's net assets were as follows:

	<u>2012</u>	<u>2011</u>
<i>In thousands</i>		
Bank of America Cash Reserves Fund	\$ *	\$ 10,473
Dreyfus Bond Market Index Fund	\$ *	\$ 2,885
Franklin Templeton Conservative Target Fund	\$ *	\$ 4,776
Goldman Sachs Mid Cap Value Fund	\$ *	\$ 2,163
Invesco Van Kampen Mid Cap Growth Fund	\$ *	\$ 2,315
Vanguard 500 Index Fund	\$ 251	\$ 9,745
American Europacific Growth Fund	\$ *	\$ 2,582
First Niagara Financial Group, Inc. Stock Fund	\$ *	\$ 3,789

* Indicates investment does not represent 5% or more of the Plan's net assets at December 31, 2012.

Net appreciation (depreciation) in fair value of investments, including realized gains and losses on investments sold during the year ended December 31, was as follows:

	<u>2012</u>	<u>2011</u>
<i>In thousands</i>		
Common collective trust	\$ -	\$ 50
Registered investment company	(132)	(1,737)
Mutual funds	<u>3,132</u>	<u>(676)</u>
	<u>\$ 3,000</u>	<u>\$ (2,363)</u>

6. PARTY-IN-INTEREST TRANSACTIONS

Investment product review and recommendations are provided by USI Securities, Inc., who is a related party to USI Consulting Group, Inc., the record keeper as defined by the Plan and, therefore, transactions with USI Securities, Inc. qualify as party-in-interest transactions.

An investment option available in the Plan was the NewAlliance Bank Certificate of Deposit Fund, which included a certificate of deposit issued by NewAlliance Bank, the Plan Sponsor. This investment was liquidated during the Plan year ended December 31, 2011 and the assets transferred to other Plan options.

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Wells Fargo Bank, N.A. is the custodian of Plan assets; therefore, transactions with Wells Fargo qualify as party-in-interest transactions.

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Accounting principles generally accepted in the United States of America require plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the organization has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service. The Plan Administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2012, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Plan is generally no longer subject to U.S. federal tax examinations for years before 2009.

8. SUBSEQUENT EVENTS

Subsequent events have been evaluated through June 27, 2013, which is the date the financial statements were available to be issued.

THE NEWALLIANCE BANK 401(k) PLAN**EIN 06-0469580****SCHEDULE H, LINE 4I - SCHEDULE OF ASSETS (HELD AT END OF YEAR)****DECEMBER 31, 2012***(In thousands)*

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	Bank of America	Cash Reserves Fund	\$ <u>1</u>
		MUTUAL FUNDS:	
	Vanguard	500 Index Fund	<u>251</u>
			<u>\$ 252</u>

The accompanying notes are an integral part of this schedule.